Government of Saskatchewan

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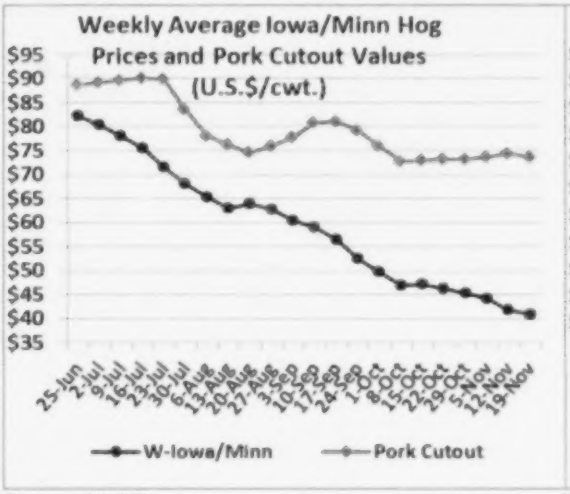
Weekly Hog Report

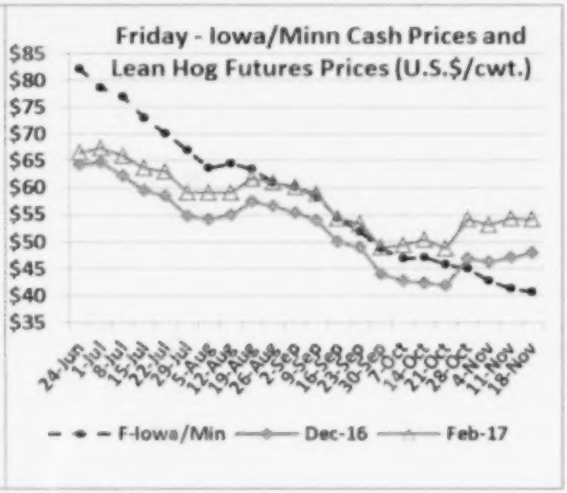
November 21, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued lower on near record weekly hog slaughter numbers. Hog prices on Friday November 18 averaged US$40.53 per cwt, down US$0.62 per cwt or 1.5 per cent from US$41.15 per cwt the previous Friday. The negotiated weekly base price last week averaged US$40.80 per cwt, down US$0.98 per cwt or 2.4 per cent from US$41.78 per cwt the previous week. The price spread between the weekly slaughter weight cash hog price and the national pork cutout price continues to be large at almost US$33 per cwt last week.



Source: LMIC



Source: LMIC, CME

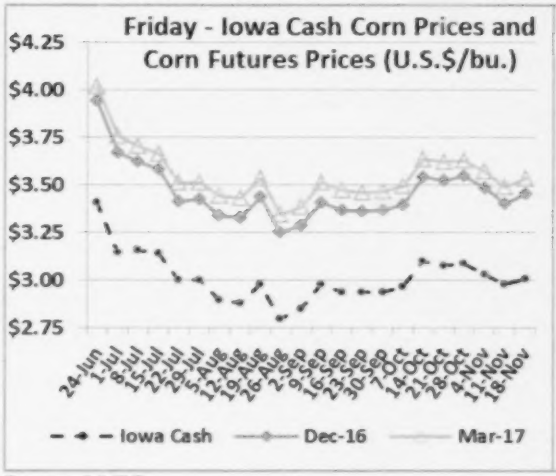
In Canada, the new contract Signature#5 (Maple Leaf) Index 100 daily price for Friday November 18, 2016 was $111.15 per ckg, down $2.31 per ckg from $113.46 per ckg the previous Thursday. Signature#5 weekly prices (Friday to Thursday) averaged $112.29 per ckg, down $2.37 per ckg or 2.1 per cent from the previous weeks' average price of $114.66 per ckg. The Canadian dollar was mixed last week and ended lower Friday at 74.00 cents, down 0.17 cents from 74.17 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed over the week with decent gains on Wednesday to end the week mixed; week-over-week. The nearby December contract increased US$0.675 per cwt to settle Friday at US$47.800 per cwt. The February 2017 lean hog futures contract declined slightly (US$0.175 per cwt) last week to settle Friday at US$54.175 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved higher again last week. Weighted average cash prices for iso-weans (12lb) last week were US$33.66 per head, up US$4.60 per head from US$29.06 per head the previous week. Feeders (40lb) averaged US$35.08 per head, up US$1.57 per head from US$33.51 per head, the previous week.



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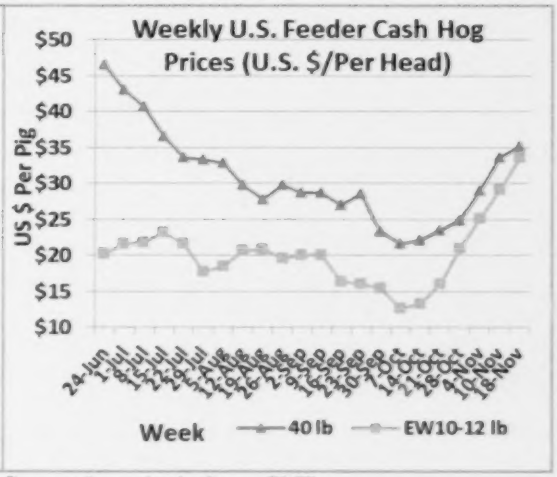

Source: Iowa Agriculture, CME

U.S. corn prices edged higher last week. Iowa cash corn prices increased three cents last week to settle Friday at US$3.01 per bushel. Daily U.S. corn futures prices were mixed over the week but ended higher, week-over-week. The December corn futures contract increased over five cents to settle Friday at US$3.45 ½ per bushel, and the March 2017 corn contract increased almost five cents per bushel to settle Friday at US$3.53 ½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending November 19 were estimated at 2.531 million head, up 3.2 per cent from 2.452 million head the previous week, and up 5.7 per cent from 2.395 million head the same week a year ago. Weekly hog slaughter numbers were close to the record all-time highs established two weeks ago. U.S. weekly hog slaughter numbers over the last four weeks ending November 19 averaged 2.481 million head per week, up 5.5 per cent from 2.326 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter Remembrance Day week ending November 12, 2016 were estimated at 412,151 head, down 8.5 per cent from 450,615 head the previous week, and down 4.7 per cent from 432,674 head the same week a year ago. Canadian hog slaughter numbers over the last eight weeks averaged 429,787 head, up 3.3 per cent from 416,205 head over the same period in 2015. Year-to-date for 2016, hogs slaughtered in Canada totaled 18,377,504 head, up 1.9 per cent from 18,033,185 head the same period in 2015. (Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the week ending November 19, 2016 was estimated at 534.3 million lb., up 3.3 per cent from 517.0 million lb. the previous week, and up 4.6 per cent from 510.8 million lb. the same week a year ago. Pork production over the last four week's ending November 19 was estimated to average 523.5 million lb., up 5.8 per cent from 494.6 million lb. over the same four week period a year ago.

U.S. beef production for the week ending November 19 was estimated at 527.5 million lb., up 2.9 per cent from 512.8 million lb. the previous week, and up 9.1 per cent from 483.5 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending November 12, 2016, was estimated to average 2.192 billion lb., up 4.7 per cent from 2.093 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.7 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Nov. 12) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	497.0	523.1	5.3%	1.2%
Beef	471.3	511.3	8.5%	5.2%
Chicken	977.6	1,007.3	3.0%	2.0%
Turkey	147.0	150.2	2.2%	4.8%
Total	**2,092.8**	**2,191.8**	**4.73%**	**2.72%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending November 19, 2016 averaged US$73.63 per cwt, down US$0.64 per cwt or 0.9 per cent from US$74.27 per cwt the previous week, but up 0.5 per cent from US$73.29 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending November 19, 2016 averaged US$182.98 per cwt over the week, down US$2.49 per cwt or 1.3 per cent from US$185.47 per cwt the previous week, and down 11.4 per cent from US$206.41 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending November 19, 2016 averaged US$100.68 per cwt, down US$0.58 per cwt or 0.6 per cent from US$101.26 per cwt the previous week, and down 4.2 per cent from US$105.06 per cwt the same week a year ago.

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